

MODOC COUNTY ECONOMIC FORECAST

Located in the northeastern corner of the state, Modoc County borders Oregon to the north and Nevada to the east. Approximately 90 percent of the land in the county consists of national forests and wilderness areas. Modoc County has a population of 9,800 people and 2,940 wage and salary jobs. The per capita income in Modoc County is \$25,593, and the average salary per worker is \$31,050. In 2006 the median household income in Modoc County is estimated at \$43,900.

In 2005, total wage and salary employment declined by 25 jobs in Modoc County, a decline of 0.9 percent. Non-farm employment, which accounts for 87 percent of total employment in the county, lost 21 jobs last year. The unemployment rate declined, however, to 8.0 percent in 2005.

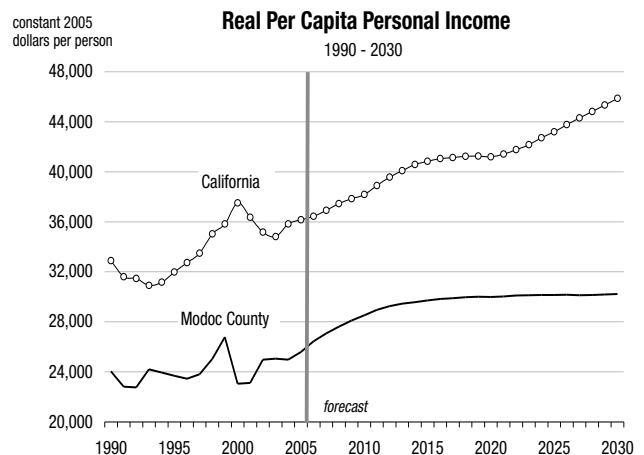
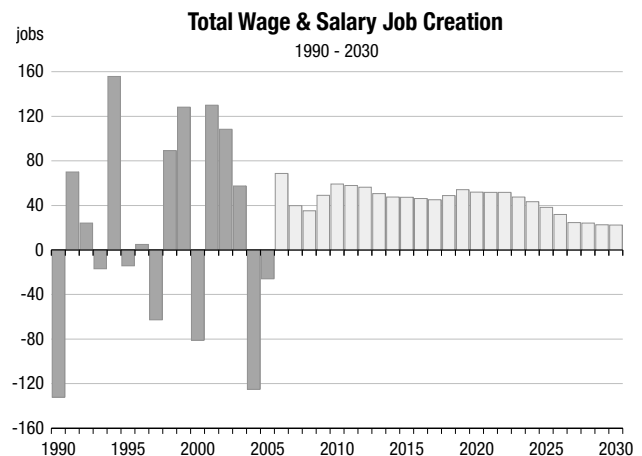
The only two sectors to create more than 5 jobs in Modoc County last year were goods producing, which added 13 jobs and healthcare and education, which added 11 jobs. Retail and wholesale trade declined by 23 workers, while healthcare and education fell by 11 workers. The largest employment sector in the county is government, which accounts for over 47 percent of total employment in the county.

The population grew 0.1 percent in calendar 2005. The only incorporated city is Alturas, home to 29 percent of the county's population. The population of Alturas declined 0.3 percent between January 2005 and January 2006. Net migration into the county was essentially zero last year.

Employment growth is expected to turn positive over the next several years, driven by non-farm employment growth. Population growth will remain positive, but modest, over the next several years.

FORECAST HIGHLIGHTS

- Total wage and salary job growth is forecast to turn positive in 2006, with employment increasing 2.3 percent. From 2006 to 2010, job growth averages 1.7 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to increase an average of 0.9 percent per year over the next 5 years.
- Between 2006 and 2010, the momentum for employment growth is in goods-production, and trade. These sectors account for 80 percent of the growth in the county over the next five years.
- Annual population growth in the 2006 to 2010 period averages 1.0 percent per year.

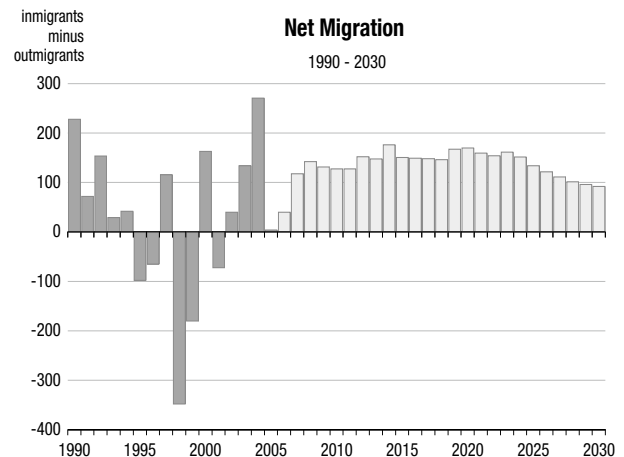
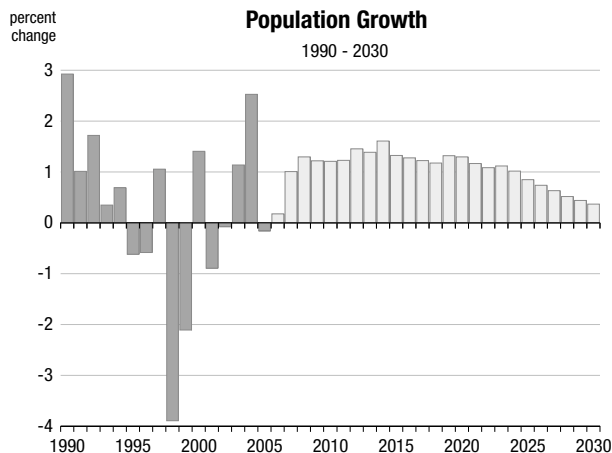


- Net migration is forecast at 40 people in 2006. Over the next five years migration is expected to average 110 net migrants per year. Net migration is responsible for all of the population growth because the natural increase is negative.
- Real per capita income is forecast to increase 3.3 percent in 2006. Over the next five years real per capita incomes are expected to increase an average of 5.0 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to increase 9.7 percent in 2006. Over the next five years real taxable sales are forecast to increase 2.6 percent per year.
- Industrial production is forecast to rise sharply due to an increase in employment in the goods producing sector. Over the next five years the growth rate of industrial production averages 11.2 percent per year. Total crop production, adjusted for inflation, is expected to increase an average of 1.2 percent per year between 2006 and 2010.

Modoc County Economic Forecast

1997-2005 History, 2006-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (millions)	Personal Income (millions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
1997	10,030	116	10.7	4.0	7	\$61.4	\$188.7	\$23,797	3.4	72.29	6.07	11.8
1998	9,640	-348	10.9	4.1	10	\$62.3	\$196.8	\$25,029	3.2	69.26	7.50	11.3
1999	9,437	-180	11.0	4.1	14	\$61.9	\$214.9	\$26,775	4.2	75.08	11.21	8.6
2000	9,570	163	11.4	3.8	20	\$75.9	\$195.9	\$23,045	4.5	76.85	15.16	7.4
2001	9,485	-72	11.9	3.8	10	\$77.2	\$205.2	\$23,115	5.4	61.41	16.62	7.0
2002	9,478	40	12.1	3.8	27	\$72.9	\$225.3	\$24,984	1.6	77.60	17.88	7.9
2003	9,586	134	12.2	3.8	35	\$74.0	\$232.7	\$25,057	1.8	74.68	18.61	8.8
2004	9,828	271	13.1	3.9	14	\$83.3	\$240.5	\$24,971	1.2	71.90	18.18	8.8
2005	9,813	4	13.2	4.0	23	\$110.7	\$251.1	\$25,593	2.0	87.44	20.84	8.0
2006	9,830	40	13.3	4.0	29	\$121.5	\$269.9	\$26,430	3.9	89.15	26.60	7.6
2007	9,930	118	13.5	4.0	31	\$127.1	\$286.1	\$27,079	2.4	90.48	29.70	7.6
2008	10,058	143	13.7	4.0	32	\$131.7	\$301.4	\$27,601	2.0	91.45	31.89	8.0
2009	10,181	132	13.9	4.0	33	\$136.2	\$317.0	\$28,102	2.0	92.09	33.34	8.5
2010	10,304	128	14.1	4.0	33	\$141.4	\$333.7	\$28,511	2.5	92.61	34.93	8.6
2011	10,431	128	14.4	4.0	34	\$146.6	\$351.2	\$28,952	2.4	92.96	36.89	8.7
2012	10,582	152	14.7	4.1	35	\$151.6	\$367.9	\$29,246	2.2	93.17	39.13	8.9
2013	10,730	148	15.0	4.1	35	\$156.7	\$384.4	\$29,454	2.3	93.31	41.34	9.0
2014	10,902	176	15.3	4.1	35	\$161.7	\$401.3	\$29,570	2.3	93.42	43.48	9.2
2015	11,047	151	15.6	4.1	35	\$167.1	\$418.8	\$29,703	2.5	93.51	45.71	9.2
2016	11,188	149	15.9	4.1	35	\$172.7	\$437.2	\$29,823	2.7	93.63	47.39	9.3
2017	11,325	148	16.2	4.2	35	\$178.4	\$455.4	\$29,884	2.7	93.78	49.22	9.3
2018	11,459	147	16.6	4.2	35	\$183.8	\$473.8	\$29,970	2.5	94.04	51.36	9.3
2019	11,610	167	16.9	4.2	35	\$189.3	\$492.9	\$30,007	2.5	94.33	53.34	9.2
2020	11,761	170	17.3	4.2	35	\$194.6	\$511.3	\$29,989	2.5	94.55	55.55	9.1
2021	11,898	160	17.6	4.3	35	\$200.0	\$530.6	\$30,024	2.4	94.72	57.28	9.0
2022	12,027	154	18.0	4.3	35	\$205.5	\$551.2	\$30,099	2.5	94.81	58.03	8.9
2023	12,161	162	18.3	4.3	35	\$211.1	\$571.8	\$30,135	2.5	94.88	58.53	8.9
2024	12,285	152	18.7	4.3	34	\$216.4	\$591.2	\$30,147	2.3	94.91	58.14	8.9
2025	12,390	134	19.0	4.3	34	\$221.8	\$610.3	\$30,145	2.4	94.93	57.15	8.9
2026	12,481	122	19.4	4.4	33	\$227.5	\$630.1	\$30,172	2.4	94.92	57.71	8.8
2027	12,560	112	19.7	4.4	32	\$233.3	\$649.0	\$30,135	2.5	94.91	57.99	8.8
2028	12,625	102	20.0	4.4	32	\$239.7	\$669.9	\$30,145	2.7	94.88	59.09	8.8
2029	12,681	96	20.3	4.4	31	\$246.3	\$691.5	\$30,176	2.7	94.86	60.37	8.8
2030	12,727	92	20.6	4.4	31	\$252.9	\$713.3	\$30,230	2.6	94.81	61.67	8.8

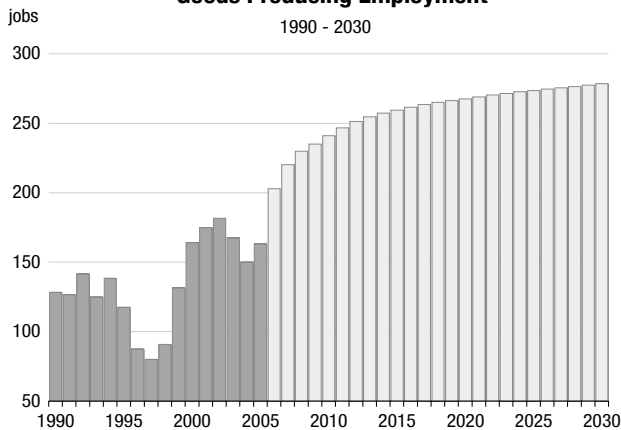


Modoc County Employment Forecast

1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Goods Producing	Wholesale & Retail Trade	Health & Education	Leisure	Government
	-----employment (jobs)-----						
1997	2,661	347	80	397	163	158	1,297
1998	2,750	408	91	427	148	152	1,265
1999	2,878	381	132	464	151	153	1,278
2000	2,798	338	164	428	144	158	1,265
2001	2,928	293	175	461	138	158	1,342
2002	3,036	312	182	528	148	152	1,380
2003	3,093	375	168	519	148	167	1,394
2004	2,968	375	150	470	133	166	1,400
2005	2,943	371	163	448	143	156	1,404
2006	3,011	387	203	462	143	152	1,400
2007	3,051	390	220	483	141	151	1,396
2008	3,086	393	230	508	138	152	1,391
2009	3,135	395	235	538	138	155	1,392
2010	3,195	396	241	572	139	157	1,397
2011	3,253	398	247	607	140	159	1,400
2012	3,309	399	251	640	141	163	1,405
2013	3,360	399	255	672	140	166	1,409
2014	3,408	400	257	702	140	168	1,413
2015	3,455	400	260	730	142	171	1,416
2016	3,501	399	262	758	144	173	1,419
2017	3,546	399	264	786	146	175	1,423
2018	3,595	398	265	813	148	177	1,429
2019	3,649	397	266	839	152	178	1,438
2020	3,701	398	268	864	156	180	1,446
2021	3,753	398	269	889	160	182	1,454
2022	3,805	399	270	914	163	183	1,461
2023	3,853	399	272	938	166	184	1,466
2024	3,896	399	273	960	169	186	1,470
2025	3,935	399	274	982	171	187	1,472
2026	3,967	400	275	1,002	173	187	1,471
2027	3,991	400	276	1,018	174	187	1,469
2028	4,015	400	276	1,036	176	185	1,464
2029	4,038	400	278	1,053	177	183	1,458
2030	4,061	400	279	1,071	178	180	1,451

Goods Producing Employment



Employment in Services

